Disputes settlement panel for pharmaceutical and agro-chemical products

664. SHRI S.M. KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is fact that the WTO has set up a Dispute Settlement Panel (DSP) on the complaints of Euproean Union about inadequate patent protection for pharmaceutical and agro chemical products detrimental to the interest of India; if so, the implications thereof;

(b) what steps Government have taken to safeguard the country's interest in this regard; and

(c) what is the status of the Indian Patent law in this regard and whether any amendment to the laws is proposed; if so, by when?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) to (c) India has ratified the Agreement establishing the World Trade Organisation (WTO), one of the covered agreements of which is the Agreement on Trade Related Aspects of intellectual Property Rights (TRIPs). The WTO Agreement came into force with effect from 1 January 1995. The TRIPs Agreement inter alia, provides minimum standards to be adopted by Memebrs in specified areas of intellectual property. Under the dispute settlement provisions of the WTO a panel was constituted to consider a complaint by the United States of America to the effect that India has not fulfilled its obligations under Article 70.8 and 70.9 of the TRIPs Agreement, which envisages that a WTO Member who does not provide patents protection for pharmaceutical and agricultural chemical products, as on the date of entry into force of the WTO Agreement on 1 January 1995, shall provide a menas by which applications for product patents in those fields of technology can be filed and provide exclusive marketing rights subject to fulfilment of certain conditions. The European Communities were an interested third party to this dispute. India has filed an appeal in respect of certain findings of the panel, and the matter is before the Appellate Body of the WTO. In parallel, the European Communities requested the establishement of a panel at the meeting of the Dispute Settlement Body (DSB) on 25 Septemebr 1997, when it was decided not to establish it. At its second request for the establishment of the panel, the panel was automatically established on 16 October 1997. The panel process is now underway.

The Indian Patents Act, 1970, does not provide for grant of product patents, inter alia, in the field of agricultural chemicals and pharmaceuticals and also for grant of exclusive marketing rights. The Government will take appropriate decisions after the adoption of the final report of the Panel or of the Appellate Body and studying in detail the recommendations or ruling of the DSB.

increase in trade deficit

665. SHRI S.M. KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the country's trade deficit has increased by 50% during first half of current financial year; if so, what was the status of deficit during corresponding period during the last three years; year-wise;

(b) reasons for increase in trade deficit; and

(c) what immediate preventive measures are being taken by Government to bridge the gap of deficit during the remaining part of the year?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The trade deficit during first half of the current financial year (1997-98) April-Sept.) has increased by 37.6% over the corresponding period last year. The trade

deficit during the corresponding period of the last three years are given below:—

(Apr.-Sept.)	Value in US$
1994-95	1230.44
1995-96	2380.71
1996-97	1813.17
1997-98	2495.96

(b) Trade deficit is the excess of imports over exports. While imports are related to the need of the economy, exports depend *inter alia* on various factors such as international market conditions, tariff and non-tariff barriers, domestic infrastructure cost of export credit, transaction costs, etc.

(c) The key to reducing trade deficit lies in accelerated export growth. Export promotion measures are being continuously undertaken by the Government through policy and promotional schemes. These include, simplification of export—import policy procedures, improving efficiency and competitiveness, focussing on quality and technology upgradation and involving the state Governemnt in export promotion. Export promotion is a continuing activity based on interaction with industry trade and other export promotional institutions.

Policy on services export sector

666. SHRI AKHILESH DAS: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government propose to adopt an integrated policy on the services export sector; and

(b) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b) Government recognizes the importance of services export and has taken several policy measures to encourage exports from this sector. These policy measures include permitting service providers to import Capital goods at concessional rates of duty under the Export Promotion Goods Scheme, allowing import of restricted items related to the Hotel and Tourism Industry which are required by Hotels, Restaurents, Travel agents, tour operators and other specified categories, granting Special Import Licences to service providers in the telecommunication and electronic field and fiscal incentive in the form of 50% tax exemption on export profits in the service sector. In addition, the software technology Park Scheme encourages undertaking software development for export.

Restriction on export of masoor dall

667. SHRI R.K. KUMAR: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that even through there is a surplus of Masoor Dall in the country, the export of the same is restricted to certain specific quantity on the basis of Special Export licences issued; and

(b) if so, the justification for such restriction?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) and (b) Though the production of pulses during the year 1996-97 is slightly higher than those in the preceding two years, the gap between the demand and availability is still estimated at around 5 million tonnes. However a limited quantity of all varieties of pulses is permitted for export each year to meet the demand of the Indian ethnic population abroad.

For the current licensing year of 1997-98, a quantity of 10,000 MTs of all varieties of pulses have been released for export.